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MINISTRY OF LAW

New Delhi, the 29th March, 1952

The following President's Act enacted on the 29th March, 1952, is published for general information:—

THE PUNJAB TOBACCO VEND FEES (REPEALING) ACT, 1952 No. VI OF 1952

[29th March, 1952.]

An Act to repeal the Punjab Tobacco Vend Fees Act, 1934.

In exercise of the powers conferred by section 3 of the Punjab State Legislature (Delegation of Powers) Act, 1951 (XLVI of 1951), the President is pleased to enact as follows:—

1. **Short title and commencement.**—(1) This Act may be called the Punjab Tobacco Vend Fees (Repealing) Act, 1952.

(2) It shall come into force on the 1st day of April, 1952.

2. **Repeal of Punjab Act V of 1934.**—The Punjab Tobacco Vend Fees Act, 1934 is hereby repealed:

Provided that section 4 of the Punjab General Clauses Act, 1898 (Punjab Act I of 1898) shall apply in relation to such repeal as if this Act had been a Punjab Act.

RAJENDRA PRASAD,
President.

K. V. K. SUNDARAM,
Secy. to the Govt. of India.

Reasons for the enactment

In 1934, the Government of the Punjab enacted the Punjab Tobacco Vend Fees Act, 1934, prescribing licenses for the sale of manufactured tobacco in urban areas and on railway stations, on payment of graduated licence fees. Subsequently, the Government of Punjab enacted the

Punjab General Sales Tax Act, 1941, imposing a sales tax on goods in the Punjab. In order to avoid double taxation, the Punjab General Sales Tax Act exempted sales of "manufactured tobacco as defined in the Punjab Tobacco Vend Fees Act, 1934" from the levy of sales tax. The East Punjab General Sales Tax Act, 1948, which replaced the Act of 1941, raised the incidence of sales tax but "manufactured tobacco as defined in the Tobacco Vend Fees Act, 1934", continued to be exempt with the result that tobacco is subject to a lighter incidence of taxation in the Punjab than other commodities. The withdrawal of this exemption will result in an increase in the yield of sales tax revenue by approximately rupees two lakhs per annum. The Punjab Tobacco Vend Fees (Repealing) Act, 1952, has accordingly been enacted to repeal the Punjab Tobacco Vend Fees Act, 1934.

H. V. R. IENGAR,
Secy. to the Govt. of India
Ministry of Home Affairs